

JUDICIAL HIGHLIGHTS - 178 F.26

SUBROGEE CLAIMS MAINTAINABLE UNDER TORT CLAIMS ACT

United States v. Aetna Casualty & Surety Co., U.S., 70
S.Ct. 207

Resolving a conflict of decisions in the circuits, the Supreme Court has declared, by the Chief Justice, that an insurance company may bring suit in its own name under the Tort Claims Act upon a claim to which it has become subrogated by payment.

With reference to the anti-assignment statute, 31 U.S.C.A. § 203, the court said that all assignments by operation of law are exempt from the prohibition of the statute, including cases which may involve the government in procedural and administrative difficulties, and that the statute is inapplicable to subrogees.

Mr. Justice Black dissented.

OGC Has Reviewed